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ABSTRACT

The importance of international trade and investment to the achievement of economic diversification objectives has increased need for professionals skilled in trade policy development and negotiation, a field known as commercial diplomacy. A severe shortage of these professionals limits developing countries' abilities to take full advantage of opportunities offered by international trade and investment and globalization of the world economy. Development of networks of regional and national training centers for commercial diplomacy staffed by local experts would alleviate the problem. Local experts would be trained to provide hands-on training, have access to generic training materials reflecting global best practices, and be able to develop materials reflecting local trade policy, laws, institutions, cultural values, and practices. A comprehensive training program calls for courses in many disciplines and would be structured as a sequence of these four stages of instruction: theory, institutions, techniques and skills, and integration. Required training materials are instructional modules, teacher's manuals, textbooks, case studies, negotiating simulations, and guides to preparation of effective operational documents. Distance learning resources should be an important component. Coordination of efforts of various international trade agencies, multilateral organizations, national economic development agencies, and private institutions working in the area is also desirable. (YLB)

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Crossroads of the New Millennium

Economic Education, Executive Education, And The Training Of Commercial Diplomats For The Global Economy

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Workshop 1

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Abstract

The importance of international trade and investment to the achievement of economic diversification objectives has increased the need for professionals skilled in trade policy development and negotiation, a field that has come to be referred to as commercial diplomacy. There is a severe shortage of such professionals in developing countries, which limits their abilities to take full advantage of the opportunities offered by international trade and investment, and the globalisation of the world economy. It is proposed here that development of executive education programmes, focused on building a network centres for commercial diplomacy, will help alleviate this problem in the UAE.

Economic Education, Executive Education, and the Training of Commercial Diplomats for the Global Economy

As His Excellency Sheikh Nahayan Mabarak Al Nahayan aptly acknowledges in his introduction of the brochure for this conference, the role of education in the process of national development is a vital issue for developing and developed countries alike. He is wise to state that this is 'a time both of retrospection and or anticipation throughout the world.' It is also a time of 'anxiousness,' especially on the part of developing countries who, on the one hand, eagerly anticipate receiving the benefits of participating more fully in the multilateral trading system (MTS), but who, on the other, are anxious about there abilities to operate effectively in this system. As UN Secretary General Kofi Annan said at UNCTAD X "the main losers in today's very unequal world are not those who are too much exposed to globalisation. They are those who have been left out."

A key reason for this anxiousness is that there is not sufficient numbers of the types of executive education systems that can train expert commercial diplomats and/or private sector negotiators in the requisite numbers needed for effective participation in the multilateral trading system. As His Excellency has printed out through his convening of this conference, we indeed sit at the Crossroads to a New Millennium wherein the 'entrepot of trade, ideas and people' are the backbone of any country's ability to achieve integration into the global economy. Mainstreaming trade into education strategies aimed at raising peoples' capacities and broadening their ideals is of critical importance. The best way to combine these agendas is by introducing executive education programmes aimed at building a world class core of commercial diplomats who can represent both ministries and firms in international trade fora. This lecture will show how such programmes could work within systems like the Higher Colleges of Technology.

BACKGROUND

The importance of international trade and investment to achieving economic diversification has increased the need for professionals skilled in trade policy development and negotiation, a field that has come to be referred to as commercial diplomacy. There is a severe shortage of such professionals in developing countries, which limits their abilities to take full advantage of the opportunities offered by the emerging multilateral trading system, and the globalisation of the world economy.

The field is broad. Training in commercial diplomacy is needed for officials responsible for the international economic policies of their countries, executives responsible for managing relations with foreign governments, and all others with a commercial or policy stake in international trade and investment. Stakeholders should be familiar with the multilateral trading system's rules, institutional processes, and standards, but this is not enough. Stakeholders must also acquire the skills necessary to develop appropriate trade and development policies, to design effective negotiating positions, to writing effective export strategies, and countries must invest in the human capacities, institutions, and the services infrastructures require for attracting foreign investment. Technical assistance in institutional strengthening and the need for enhanced capacity building have become core issues in international negotiations on trade-related issues, especially at the World Trade Organisation (WTO). Recognising that there is a shortage of trained trade professionals helps to explain the tremendous gap in perceptions between developing and developed countries about whether or not the body of trade rules that is emerging from the WTO support the economic interests of developing countries.

Most international trade organisations and many national economic assistance agencies have developed training programmes that attempt to fill the gap in trained trade professionals. These programmes typically consist of short-term workshops held in developing countries or of seminars held in Geneva or Washington. The obvious problem with this approach is that it will not enable countries to train the critical mass of government officials, facilities managers, firm executives and services professionals that are needed for effective participation in international economic policy process. Such programmes do not offer sustained training efforts or support long-term learning or development of real professional competence, and the training materials used rarely contain sufficient local context or case studies that can be used in the home country.

What is required is the development of networks of regional and national training centres that can reach a full range of practicing professionals who have a stake in international trade and investment. Such training centres should be largely staffed by local experts and only supplemented by foreign experts. They should have access to generic training materials reflecting global best practices. They should also have the means to develop materials customised for the particular trade interests, laws, institutions, cultural values and practices of the regions or countries involved.

THE CHALLENGE: ESTABLISHING REGIONAL AND NATIONAL TRAINING NETWORKS

Training in what is now referred to as Commercial Diplomacy is a relatively recent development. The first comprehensive graduate programme leading to a Masters of Arts in Commercial Diplomacy (MACD) was developed in 1995 at the Monterey Institute of International Studies in Monterey, California. A few other graduate schools have added individual courses on trade policy and several MBA programmes now offer courses in negotiating skills, but few of these are diplomacy specific, and even fewer have any focus on developing countries.

Moreover, virtually no training manuals, textbooks or other teaching materials that are customised so that they properly reflect regional circumstances and/or discussion of developing countries' trade interests. Therefore, efforts to design and implement sustainable commercial diplomacy training programmes must include focus on developing world class training materials - including teacher's manuals, text books, case studies, and other instructional materials. This means that train-the-trainers components as well as train-the-writers components must be included in these courses, and also inclusion of distance learning approaches.

It is not enough for a host country organisation to organise seminars, workshops, or short courses presented by experts from the developed world. In contrast to this popular albeit ineffective approach, a more appropriate goal is to build sustainable indigenous programmes that can offer commercial diplomacy training to a broad array of stakeholders in a country's trade policies. This requires the development of networks of both regional and national training centres staffed by local experts. These experts will have to participate themselves in capacity building exercises, and they should be trained to provide the kind of hands-on training that is required in this field (preferably they should have field experience). From the beginning, these experts should have access to generic training materials that reflect global best practices as well as guidance in how to design and teach through the use of negotiations simulation sessions.

By extension, these experts should also have the means to develop materials that reflect local trade policy and negotiating interests, laws, institutions, cultural values and practices of the regions or countries involved. Foreign experts can usefully supplement local instructors, but should not provide the core of such instruction. Instructors for training in commercial diplomacy could come from practitioners in both the government and the private sector that

are found in every capital, as well as from university faculty members who have had some experience in working with international organisations and/or their own government on trade issues. Another source of local instructors could be found in the foreign embassies of countries with well-developed expertise in this area. The bulk of such instructors could serve as adjunct faculty. The permanent staff required to run such a programme could be relatively modest, meaning a core staff of 5 to 10 administrators and full-time instructors and adjunct faculty. The key to making such a low budget approach work is the development of a kit of course outlines, teaching materials, distance learning resources, and teachers manuals, combined with programmes to train the trainers. An initial set of training materials is available from the International Commercial Diplomacy Project web site, commercial diplomacy.org. In addition, once a central Commercial Diplomacy Institute is establish, the staff from this centre can serve as resources for helping establish satellite programmes, e.g. at branch campuses for HCT or at affiliated offices for organisations such as the Federation of Chambers of Commerce. With USAID's support, such pilot projects for commercial diplomacy training are currently being established in Sri Lanka, Thailand and East Africa. It is envisioned that promising individuals from these programmes will be sponsored by their host countries for further studies in graduate programme like the Masters of Arts in Commercial Diplomacy at the Monterey Institute for International Studies. Because it the facilities in the UAE and its neighboring states are strong, it is easy to imagine that a commercial diplomacy programme could be implemented at an institution like the HCT.

THE CONTENT OF A COMPREHENSIVE COMMERCIAL DIPLOMACY TRAINING PROGRAMME

A comprehensive training programme in commercial diplomacy calls for courses in many different disciplines - economics, business, politics, law, media and public relations, international relations, negotiation and dispute settlement, area studies, foreign languages and culture. An ideal programme would be structured as a sequence of four distinct stages of instruction – theory, institutions, techniques and skills, and integration -- which are described in more detail below. Such a sequence provides a natural progression in the learning process. Students' knowledge of trade becomes deeper, and not just broader, as they progress through the programme.

The four stages of the learning process are:

THEORY

Courses on theory should provide the intellectual and conceptual foundation for the field of commercial diplomacy. This introductory phase of the programme should include a heavy dose of economics, as well as courses in politics and policy analysis.

INSTITUTIONS

Courses in the second phase of training should introduce the institutional context of trade and trade policy. Courses would cover international and national trade organisations, regional trading arrangements, and international trade law. Other courses could cover the history of thought on trade, the history and evolution of trade policy, in-depth analyses of case law and international institutions.

Skills and Techniques: In the third phase of training, students are in a position to combine their knowledge of economics, politics, law, institutions, media and culture into a coherent analysis of international commercial issues, and to develop an integrated strategy for advancing policy prescriptions desired by particular stakeholders. Students learn how to advance the commercial interests of their country or organisation through the effective use of advocacy tools such as hearings, press conferences, coalition building efforts and negotiations. They learn how to write effective operational documents such as policy papers, briefing memoranda, negotiating instructions, reporting cables, press releases, testimony, opinion editorial pieces, and public relations speeches. Students learn to combine the disparate subjects previously covered in ways that will enable them to function effectively in the private and public practice of commercial diplomacy. Courses could include: courses on framing of trade issues; the art of politics; relations with press, public and legislative bodies; and negotiation tactics and skills. Application in a Real World Environment: In the fourth phase of training, students learn how to apply everything they have leaned to current real world issues. They also learn how to develop effective operational strategies for advancing the interests of their country or organisation through public advocacy tools, negotiation and dispute settlement. This phase of training could include courses in which students participate in simulated trade negotiations, courses involving studies of current cases, and courses that give students the opportunity to examine a particular issue in depth and to prepare an effective negotiating strategy.

TRAINING MATERIAL REQUIRED FOR EFFECTIVE TRAINING IN COMMERCIAL DIPLOMACY

Implementation of an effective training programme in commercial diplomacy requires the development of a variety of training materials. It requires the development of instructional modules, teacher's manuals and eventually text books for many of the courses listed above that are not part of the standard curriculum of university programmes in economics, politics, law or public relations. It also requires the development of case studies, negotiating simulations and guides to the preparation of effective operational documents such as briefing memoranda, strategy papers, negotiating instructions, white papers, press releases and other public advocacy documents. The case study approach, like that used in Harvard's Executive Training programmes, is effective in teaching the operational aspects of commercial diplomacy. Trade case studies are built around historically important or particularly interesting trade problems and demonstrate how they were addressed through advocacy programmes, legislation, negotiations or dispute settlement. They provide insights into the political and economic strategies that were employed by industry advocates, politicians and government officials. Furthermore, they give both students and professionals a way to learn from past successes and mistakes. Case studies afford the critical opportunity for seasoned trade negotiations to illustrate what went well, what didn't, and what could have been done to improve their position? Simulations provide an opportunity for students to practice negotiation, mediation, dispute settlement and public advocacy skills while addressing real world issues in commercial diplomacy. Unlike case studies, which are historical, the simulations are drawn from real-world situations on current outstanding issues. Simulations provide a nuts-and-bolts perspective that is an excellent way to train trade professionals, and they teach students how to integrate material from disparate business, economics, politics, law, culture, public policy and science into a strategy; how to simplify and focus complex issues to the priority issues; and how to make decisions in the face of imperfect information and the time pressures typical of the real world. Simulations teach not only the art of negotiation, dispute settlement and public advocacy, but also how to use research to pull together information relevant to these processes.

DEVELOPMENT OF A DISTANCE LEARNING NETWORK

Distance learning resources should be an important component of any comprehensive effort to help developing countries to build an institutional training capacity in commercial diplomacy. Several such initiatives have been launched, and in combination could provide an important foundation for the development of an effective network of distance learning

resources. Therefore, when establishing a centre for commercial diplomacy the host institution should consider participating in the World Bank's Global Distance Learning Network, which utilises World Bank facilities around the world to deliver instructional materials developed by the World Bank Institute. The World Bank is also working with partners in other divisions of the Bank and outside organisations to develop additional courses, such as the International Trade Centre in Geneva, which is a UNCTAD-WTO joint venture for technical assistance. Another initiative in this area has been organised by the International Training Centre of the State University of California at San Diego (SUCSD), which broadcasts monthly programmes to over 150 sites in Latin America. These broadcasts have included an annual live broadcast on different aspects of commercial diplomacy.

A third distance learning resource is provided by the International Commercial Diplomacy Project's web site, commercialdiplomacy.org, which makes training materials in commercial diplomacy available on line. It includes a model structure for training in this area, course outlines, instructional modules, case studies, negotiations and dispute settlement simulations, sample documents, and a guide to available internet resources.

INTERNATIONAL COORDINATION

It is also desirable in commercial diplomacy training to coordinate the efforts of the various international trade agencies, multilateral organisations, national economic development assistance agencies and private institutions working in this area. A possible way to initiate a commercial diplomacy programme would be to hold a workshop for local professionals active in this area and experts at multilateral institutions who have developed specialised materials. The goal of this workshop would be to bring people together in order to present and review materials that could be used at a national Centre. Such a workshop could be organised in either Geneva at a multilateral institution such as the ITC, at an academic institution such at the Monterey Institute for International Studies, or at the host country institution that is looking to establish a training centre, Abu Dhabi; Chamber. The proposed workshop would be organised around an initial set of presentations by the various international organisations and private educational institutions with programmes in the area. The presentations would cover the training materials each organisation has developed, the educational philosophy underlying these materials, how these materials have been used, and current plans for the development of additional materials. The second part of the workshop would be devoted to a needs assessment and the development of an "ideal" curriculum and set of supporting training materials. A third part of the workshop would focus on a review of

current training programmes in developing countries, and on current and potential initiatives to create a sustainable local institutional training capacity in developing countries. This discussion could be organised around a review of current initiatives by the various organisations and an evaluation of past successes and failures in establishing locally sustainable training institutions in the area. The final session of the workshop would be devoted to a discussion of options for expanding the resources available for the development of training materials in the area, and for the establishment of locally sustainable training programmes.

CONCLUSION

In order to train a generation of effective trade policy makers and negotiators in a country like the UAE, it will be necessary to establish a network of training programmes in commercial diplomacy in key cities, and to establish a regional centre in the capital city, which could be used by people across the GCC. Because of its branch network and campus structure, the HCT could play a key catalytic role in making such an effort a success. However, it must first make a commitment to offer trade-related executive education.